

# Rubin & Hays

ATTORNEYS AT LAW

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CHARLES S. MUSSON  
W. RANDALL JONES  
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November 12, 2004

**RECEIVED**

NOV 15 2004

**PUBLIC SERVICE  
COMMISSION**

Ms. Beth O'Donnell, Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602

Re: Muhlenberg County Water District PSC Case No. 2004-00381

Dear Ms. O'Donnell:

In accordance with the Order in the above case, enclosed please find the final refunding schedules which include the gross and net present value savings and the Bond Debt Service.

The securities were issued on October 19, 2004. Thank you for your assistance and if you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By

  
W. Randall Jones

WRJ:jlm  
Enclosures

**\$1,820,000**

Muhlenberg County Water District  
Kentucky Rural Water Finance Program  
Flexilbe Term Finance Program

**Debt Service Schedule**

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I
02/01/2005	42,000.00	3.000%	22,088.17	64,088.17
08/01/2005	-	-	32,502.25	32,502.25
02/01/2006	64,000.00	3.000%	32,502.25	96,502.25
08/01/2006	-	-	31,542.25	31,542.25
02/01/2007	98,000.00	3.000%	31,542.25	129,542.25
08/01/2007	-	-	30,072.25	30,072.25
02/01/2008	102,000.00	3.100%	30,072.25	132,072.25
08/01/2008	-	-	28,491.25	28,491.25
02/01/2009	101,000.00	3.250%	28,491.25	129,491.25
08/01/2009	-	-	26,850.00	26,850.00
02/01/2010	105,000.00	3.250%	26,850.00	131,850.00
08/01/2010	-	-	25,143.75	25,143.75
02/01/2011	109,000.00	3.250%	25,143.75	134,143.75
08/01/2011	-	-	23,372.50	23,372.50
02/01/2012	113,000.00	3.375%	23,372.50	136,372.50
08/01/2012	-	-	21,465.63	21,465.63
02/01/2013	119,000.00	3.500%	21,465.63	140,465.63
08/01/2013	-	-	19,383.13	19,383.13
02/01/2014	127,000.00	4.000%	19,383.13	146,383.13
08/01/2014	-	-	16,843.13	16,843.13
02/01/2015	129,000.00	4.000%	16,843.13	145,843.13
08/01/2015	-	-	14,263.13	14,263.13
02/01/2016	139,000.00	4.000%	14,263.13	153,263.13
08/01/2016	-	-	11,483.13	11,483.13
02/01/2017	143,000.00	4.000%	11,483.13	154,483.13
08/01/2017	-	-	8,623.13	8,623.13
02/01/2018	151,000.00	4.000%	8,623.13	159,623.13
08/01/2018	-	-	5,603.13	5,603.13
02/01/2019	141,000.00	4.000%	5,603.13	146,603.13
08/01/2019	-	-	2,783.13	2,783.13
02/01/2020	68,000.00	4.000%	2,783.13	70,783.13
08/01/2020	-	-	1,423.13	1,423.13
02/01/2021	69,000.00	4.125%	1,423.13	70,423.13
<b>Total</b>	<b>\$1,820,000.00</b>	<b>-</b>	<b>\$621,778.01</b>	<b>\$2,441,778.01</b>

**\$1,820,000**

Muhlenberg County Water District  
Kentucky Rural Water Finance Program  
Flexilbe Term Finance Program

## Debt Service Schedule

Part 2 of 2

### Yield Statistics

Accrued Interest from 10/01/2004 to 10/19/2004	3,313.23
Bond Year Dollars	\$16,237.67
Average Life	8.922 Years
Average Coupon	3.8292325%
Net Interest Cost (NIC)	3.8578906%
True Interest Cost (TIC)	3.8474644%
Bond Yield for Arbitrage Purposes	4.2822857%
All Inclusive Cost (AIC)	4.1917151%

### IRS Form 8038

Net Interest Cost	3.7833281%
Weighted Average Maturity	8.819 Years

**\$1,820,000**

Muhlenberg County Water District  
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## Debt Service Comparison

Date	Total P+I	Expenses	Net New D/S	Old Net D/S	Savings
12/30/2004	-	-	-	-	-
12/30/2005	96,590.42	450.00	97,040.42	174,525.00	77,484.58
12/30/2006	128,044.50	450.00	128,494.50	175,537.50	47,043.00
12/30/2007	159,614.50	450.00	160,064.50	176,275.00	16,210.50
12/30/2008	160,563.50	450.00	161,013.50	176,737.50	15,724.00
12/30/2009	156,341.25	450.00	156,791.25	172,062.50	15,271.25
12/30/2010	156,993.75	450.00	157,443.75	172,250.00	14,806.25
12/30/2011	157,516.25	450.00	157,966.25	172,162.50	14,196.25
12/30/2012	157,838.13	450.00	158,288.13	171,800.00	13,511.87
12/30/2013	159,848.76	450.00	160,298.76	176,025.00	15,726.24
12/30/2014	163,226.26	450.00	163,676.26	174,780.00	11,103.74
12/30/2015	160,106.26	450.00	160,556.26	173,200.00	12,643.74
12/30/2016	164,746.26	450.00	165,196.26	176,200.00	11,003.74
12/30/2017	163,106.26	450.00	163,556.26	173,780.00	10,223.74
12/30/2018	165,226.26	450.00	165,676.26	175,940.00	10,263.74
12/30/2019	149,386.26	450.00	149,836.26	172,680.00	22,843.74
12/30/2020	72,206.26	450.00	72,656.26	174,000.00	101,343.74
12/30/2021	70,423.13	450.00	70,873.13	174,760.00	103,886.87
<b>Total</b>	<b>\$2,441,778.01</b>	<b>\$7,650.00</b>	<b>\$2,449,428.01</b>	<b>\$2,962,715.00</b>	<b>\$513,286.99</b>

### PV Analysis Summary (Net to Net)

Gross Debt Service Savings	513,286.99
Effects of changes in Expenses	(5,538.07)
Net PV Cashflow Savings @ 4.192%(AIC)	364,644.81
Accrued Interest Credit to Debt Service Fund	3,313.23
Transfers from Prior Issue Debt Service Fund	(79,112.50)
Transfers from Debt Service Reserve	(180,000.00)
Net Benefit	<b>\$257,487.72</b>
Net PV Benefit / \$1,915,000 Refunded Principal	14.683%
Net PV Benefit / \$1,820,000 Refunding Principal	15.449%

### Refunding Bond Information

Refunding Dated Date	10/01/2004
Refunding Delivery Date	10/19/2004



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